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TAGS: [PREL](#) [PGOV](#) [KPAO](#) [MOPS](#) [MARR](#) [NATO](#) [HR](#) [DEFENSE](#) [REFORM](#)  
SUBJECT: CROATIA COMMITTED TO NATO REFORM RECOMMENDATIONS

REF: A. STATE 83552  
[1](#)B. ZAGREB 593  
[1](#)C. ZAGREB 395 AND PREVIOUS

(U) Sensitive, but unclassified; please handle accordingly.

[1](#)1. (SBU) SUMMARY AND COMMENT: Ambassador, DCM, and PolOff delivered ref A points during week of June 18 to FM Kolinda Grabar-Kitarovic, Asst DefMin Igor Pokaz, and MFA NATO Office Director Neven Mikec respectively. GoC representatives were grateful for USG support and guidance and emphasized commitment to continued progress in reforms in run-up to NATO's Bucharest Summit. On June 20, Ambassador also discussed the POTUS Tirana A-3 lunch with PM Sanader, who stressed that the GoC is addressing all issues raised by President Bush. While the GoC is visibly confident about a NATO invitation in 2008, they are clearly taking nothing for granted and continue to push ahead on reforms. END SUMMARY AND COMMENT.

#### COMMITMENT TO DEMOCRATIC VALUES

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[1](#)2. (SBU) The GoC has focused particular effort on democratic reforms, as they also have a significant impact on EU accession and eventual OSCE mission closure. Croatia has achieved concrete progress in all key areas, though refugee return issues and judicial reform remain key areas to watch. According to Mikec, property restitution will likely remain unaddressed at least until after parliamentary elections expected in November. Post has raised this at the highest levels and will continue to press for some kind of progress, particularly after parliamentary elections.

[1](#)3. (SBU) On refugee returns, the GoC has agreed to meet by the end of 2007 specific benchmarks set in consultation with the international community, including construction of apartments and resolution of issues related to pension credit for years worked under the Serb administration and housing for former occupants of socialized housing. We are hopeful that the GoC has finally gained traction on dealing with these issues. Post and its partners in the international community will continue to press for sustainable solutions.

[1](#)4. (SBU) Judicial reform remains a key area of concern, though Post has witnessed significant progress. The judicial backlog is shrinking, and high profile war crimes cases against ethnic Croats are proceeding without noticeable protest, including the Ademi-Norac case transferred from the Hague Tribunal.

[1](#)5. (SBU) In the fight against corruption, the GoC recently made dramatic progress with the arrest of six employees of the Croatian Privatization Fund, three of whom were vice

presidents (ref B). While it is not yet clear if these arrests will lead to convictions and what the political implications will be for the four government ministers who sit on the Fund's supervisory board, the GoC has clearly given the Chief State Prosecutor full latitude to pursue the case despite any potential damage to the ruling party (septel).

¶16. (SBU) In combating trafficking in persons, the GoC continues to improve its cooperation with NGOs to identify and assist victims of trafficking and has increased its efforts to investigate and prosecute trafficking crimes. Post is still waiting to see convictions.

¶17. (SBU) Croatia's constructive engagement in the region continues to be one of its greatest contributions to stability. In addition to active participation in A-3 structures, the GoC maintains vigorous and positive bilateral relations with every country in the region. Croatia just concluded its successful chairmanship of the South East European Cooperation Process with the formation of a permanent Regional Cooperation Council (RCC), the successor to the Stability Pact initiative. Croatian leaders have made helpful contributions And on the final status of Kosovo and can be counted on to do more in the future.

#### CONTRIBUTING TO ALLIANCE SECURITY

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¶18. (SBU) Croatia's self-financed and caveat-free ISAF contingent, currently 172 troops, continues to be its greatest contribution to NATO operations, with plans to raise the number to 200 by the end of 2007 and to 300 in 2008. Of note, the contribution includes trainers embedded with the Afghan National Army, an operational role no other non-member

ZAGREB 00000618 002 OF 002

has taken on. Croatia is also contributing to NATO readiness by hosting training exercises, including IDASSA '07 in May, the largest NATO civilian disaster response exercise ever held in a non-member state. The GoC is preparing to host a large-scale NATO maritime exercise in October. The GoC has also offered a variety of military training to Iraqi soldiers and may begin courses in Croatia this fall.

¶19. (SBU) The Croatian military is clearly serious about drawing from their Afghanistan experience to increase their interoperability and develop lessons-learned for future NATO-led stability operations. It is increasing its number of deployable units through a self-evaluation system under the Operational Capabilities Concept (OCC). A Military Police Platoon has been certified as deployable, while an Engineering Platoon (Demining) and Light Infantry Company (Motorized) have self-evaluated as deployable and are awaiting NATO certification. A Special Operations Platoon, NBC platoon, and helicopter detachment are planned for self-evaluation in the next two years.

¶110. (SBU) The GoC appears to be on track to reach 2 percent of GDP target for defense spending in 2010, assuming normal economic growth. Lowering personnel costs is an ongoing and long-term challenge. On hardware acquisitions, Mikec said the GoC is unlikely to back away from plans to buy 12 fighter jets despite Allied recommendations to focus on rotary wing assets.

¶111. (SBU) Mikec noted that constitutional changes are being prepared to modify Croatia's deployment approval process to allow direct implementation of Article 5. These changes, however, which are part of an interministerial constitutional review, will not be considered until 2008.

¶112. (SBU) With assistance from Post's EXBS program and other donor nations, the GoC continues to make concrete progress in improving border security. Customs seizures of contraband are up, in part thanks to USG-donated equipment, and

Croatia's non-proliferation regime is becoming increasingly effective. The GoC recently approved deployment of two officers to Naples to participate in Operation Active Endeavor.

#### SUCCESS IN BUILDING BROAD PUBLIC SUPPORT

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¶13. (SBU) The GoC's efforts to build public support for NATO membership have produced impressive results, with a poll published June 27 showing public support at 52 percent with only 23 percent opposition. This is steady with results from mid-May, showing that any bump from earlier events in the Serbian parliament appears to have stuck for the moment. Leaders have not missed an opportunity to preach the benefits of NATO. It was a central theme in all speeches in the June 25 Statehood Day celebration, which included a NATO public information booth on Zagreb's main square.

#### PROTECTING NATO CLASSIFIED - UNFINISHED BUSINESS

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¶14. (SBU) The protection of NATO classified information remains an area where the GoC has unfinished homework. The GoC's original draft legislation ran into problems with human rights groups who feared overly broad classification authority. A new draft expected in July may address these concerns and bring rapid progress on this issue.

#### STATUS OF FORCES AGREEMENT

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¶15. (SBU) The long saga of supplemental SOFA negotiations may be nearing a close, though the issue of detention of service members accused of crimes and the duration of the USG's obligation to produce them for trial remains contentious. The GoC has struggled to compromise on this issue, while protecting what they perceive as an issue of the independence of their judiciary and the danger of impunity. We will continue to discuss this issue based on a recent exchange of proposals between Zagreb and Washington.

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